

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS
WACO DIVISION

IN RE:	§		
	§	CASE NO.	12-60683-rbk
JERRY W. SCARBROUGH,	§		
	§	CHAPTER	7
Debtor	§		

**MOTION BY JAMES STUDENSKY, TRUSTEE TO SELL PROPERTY OF THE ESTATE AT
PRIVATE SALE TO GREAT EAGLE, INC. AND DETCO, INC. OR HIGHEST BIDDER,
PURSUANT TO 11 U.S.C. § 363**

TO THE HONORABLE JUDGE OF THIS COURT:

THIS PLEADING REQUESTS RELIEF THAT MAY BE ADVERSE TO YOUR INTERESTS.

IF NO TIMELY RESPONSE IS FILED WITHIN TWENTY-ONE (21) DAYS FROM THE DATE OF SERVICE, THE RELIEF REQUESTED HEREIN MAY BE GRANTED WITHOUT A HEARING BEING HELD.

A TIMELY FILED RESPONSE IS NECESSARY FOR A HEARING TO BE HELD.

NOW COMES , James Studensky, Trustee (“Movant”), and files this Motion To Sell Property of the Estate at Private Sale to Great Eagle, Inc. and DetCo, Inc. or Highest Bidder, Pursuant to 11 U.S.C. § 363 and, in support thereof, would respectfully show the Court as follows:

1. On June 25, 2012, Jerry W. Scarbrough (“Debtor”) filed a petition under Chapter 7 of the United States Bankruptcy Code. The 341 hearing was timely concluded. James E. Studensky had been appointed as Trustee in this case and continues in that capacity.

2. The Estate owns an undivided one-half interest in two promissory notes that the Trustee proposes to sell pursuant to 11 USC 363. One note (“Hall Note”) is dated February 14, 2006, executed by Clayton Hall and wife, Karen Hall and payable to Great Eagle, Inc., Jerry Scarbrough and Peggy Scarbrough in the original principal sum of \$44,700.00 and bearing interest at 8% per annum and payable in principal and interest payments of \$427.18 per month beginning April 1, 2006, and continuing monthly

until March 1, 2021, when all principal and interest will be payable. The note is current through January, 2015, and the unpaid principal balance is \$23,449.83. The Estate owns an undivided one-half interest in this note and it is currently being serviced by Great Eagle, Inc. A true copy of the Hall Note is attached hereto and incorporated herein by reference. The second note ("Thompson Note") is dated January 10, 2006, executed by Dale Thompson and wife, Sylvia Thompson and payable to DetCo, Inc and Jerry Scarbrough in the original principal sum of \$104,700.00 and bearing interest at 6.5 % per annum and payable in principal and interest payments of \$1,188.85 per month beginning February 20, 2006, and continuing monthly until January 20, 2016, at which time the all unpaid principal and interest will be payable. The note is current through January, 2015, and the unpaid principal balance due is \$15,012.23. The Estate owns an undivided one-half interest in this note and it is currently being serviced by DetCo, Inc. A true copy of the Thompson Note is attached hereto and incorporated herein by reference. Both notes are secured by liens on real property in Bell County, Texas, that is more fully described in the respective notes.

3. The Trustee proposes to sell the Estate's interest and the interest of Saturn Resources, Inc., if any, in the Hall Note described above to Great Eagle, Inc for the sum of \$9,379.93, which is 80% of one-half of the current unpaid principal balance and the Estate's interest and the interest of Saturn Resources, Inc., if any, in the Thompson Note to DetCo, Inc. for the sum of \$6,004.89, which is 80% of one-half of the current unpaid principal balance. In addition to these amounts to be paid to purchase the notes, Great Eagle, Inc. will pay to the Estate the sum of \$2,354.00 representing the Estate's share of payments made on the Hall Note from March 3, 2014 through January 28, 2015, and DetCo, Inc will pay the sum of \$6,600.00 to the Estate representing the Estate's share of payments made on the Thompson Note from March 14, 2014 through January 28, 2015. Payments accruing on the Hall Note and Thompson Note after January 28, 2015 shall become the property of the purchaser of these notes upon closing. The Estate will incur reasonable attorney fees in securing court approval and closing the sale of these notes, the payment of which is subject to approval of the court by application that will be subsequently filed

with the court. Those attorney fees in this transaction are estimated to be approximately \$800.00. The Estate will not incur any other expenses in connection with the sale of these notes. The Trustee believes that the consideration offered for these notes is fair and reasonable, given that the Estate owns only an undivided interest in the notes and that the notes have relatively small balances due.

4. The Trustee is unaware of any liens or other encumbrances against the notes described above.

5. In the event that any interested party desires to bid on the interests in the notes being sold by the Estate, such party should contact the Trustee prior to the expiration of twenty-one days from the date shown in the certificate of service shown below. The interests in the Notes are being sold without warranties and without recourse upon the Trustee or Estate.

6. Income tax will be payable as result of the proposed transactions to the extent of any capital gain but the exact tax consequences to this sale are unknown to the Trustee. In the event that the tax basis of the assets being sold is exceeded by the sales price, less any administrative expenses, then the Estate will be liable for tax on any gain.

WHEREFORE, Movant respectfully request that the Court grant this Motion to Sell Property of the Estate at Private Sale to Great Eagle, Inc. and Detco, Inc., and for any other and further relief to which the Trustee may show himself entitled to receive.

Respectfully submitted,

/s/ James E. Studensky

James E. Studensky

Chapter 7 Trustee

3912 W. Waco Drive

Waco, Texas 76710

254-776-9630

254-296-0190 (fax)

jstudensky@epitrustee.com

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a true and correct copy of the foregoing instrument was forwarded either by United States Mail, postage prepaid, or by electronic means to all parties requesting notice, to the U. S. Trustee, the debtor and all parties shown below and on the attached mailing matrix, on this 30th day of January, 2015, as follows:

Jerry Scarbrough
Peggy Scarbrough
5410 Schwald Road
Killeen, TX 76543

U.S. Trustee's Office
903 San Jacinto, Ste 230
Austin, TX 78701

Ed L. Laughlin
Law Offices of Ed L. Laughlin, P.C.
1101 E. Central Texas Expressway
Killeen, TX 76541
(Attorney for Debtor, Jerry Scarbrough)

John A. Montez
Montez & Williams, P.C.
3809 W. Waco Drive
Waco, TX 76710

Stephen W. Sather
1212 Guadalupe St Ste 104
Austin, TX 78701-1801

Douglas A. Newton, Jr.
Attorney-at-Law
3260 Rustic Oak
San Antonio, Texas 78261

Great Eagle, Inc.
3260 Rustic Oak
San Antonio, Texas 78261

DetCo Inc.
3260 Rustic Oak
San Antonio, Texas 78261

/s/ James Studensky, Trustee
James Studensky, Trustee

(p)INTERNAL REVENUE SERVICE
CENTRALIZED INSOLVENCY OPERATIONS
PO BOX 7346
PHILADELPHIA PA 19101-7346

(p)WELLS FARGO BANK NA
WELLS FARGO HOME MORTGAGE AMERICAS
SERVICING
ATTN BANKRUPTCY DEPT MAC X7801-014
3476 STATEVIEW BLVD
FORT MILL SC 29715-7203

146th Dist Crt. of Bell County, Texas
1201 Huey Road
Belton, TX 76513

Acuscribe Court Reporters, Inc.
1601 Rio Grande, Suite 443
Austin, TX 78701-1149

American Express
P.O. Box 981535
El Paso, TX 79998-1535

American Express
PO Box 650448
Dallas TX 75265-0448

American Express Bank FSB
c/o Becket and Lee LLP
POB 3001
Malvern PA 19355-0701

AT&T Universal Card
P.O. Box 182564
Columbus, OH 43218-2564

Baird Crews Schiller & Whitaker, P.C.
15 North Main St.
Temple, TX 76501-7629

Bank Of America
Po Box 982238
El Paso, TX 79998-2238

Bell TAD
c/o Lee Gordon
P.O. Box 1269
Round Rock, TX 78680-1269

Chevron
PO Box 530950
Atlanta, GA 30353-0950

Citi Diamond Preferred Card
P.O. Box 790447
St. Louis, MO 63179-0447

Citibank, N.A.
c/o American InfoSource LP
PO Box 248840
Oklahoma City, OK 73124-8840

Clayton Olvera
C/O David Sergi
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San Marcus, TX 78666-6309

David Fernandez
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Temple, TX 76504-7131

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Sulphur Springs, TX 75482

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Louisville, KY 40290-1401

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C/O Ray, Valdez, McChristian & Jeans
5822 Cromo Drive
El Paso, TX 79912-5523

Elizabeth Tipton
c/o Blake Rasner
HALEY & OLSON, P.C.
510 N. Valley Mills Dr., Ste. 600
Waco, TX 76710-6078

Elizabeth Tipton
c/o John A. Montez
3809 W. Waco Drive
Waco TX 76710-7105

FIA Card Services, N.A. as successor to
Bank of America, N.A. (USA)
and MBNA America Bank, N.A.
4161 Piedmont Parkway
NC4 105 03 14
Greensboro, NC 27410

Fia Csna/Bank of America
Attn: Bankruptcy
PO Box 15102
Wilmington, DE 19886-5102

First National Bank
P.O.Box 937
Killeen, Texas 76540-0937

Freytag Irrigation LLC
C/O Jack Crews/Kristin Murphy
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El Paso, TX 79912

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c/o John A. Montez
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C/O Jack Crews/Kristin Murphy
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Temple, TX 76501-7629

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Gemb/chevron
Attention: Bankruptcy
PO Box 103104
Roswell, GA 30076-9104

Gemb/walmart Dc
Walmart/GEMB
PO Box 103104
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C/O Perry Cortese
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Little Rock, TX 76554-0833

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3131 Eastside St., Ste. 300
Houston, TX 77098-1919

Knowles Publishing Inc.
P.O. Box 911004
Ft. Worth, TX 76111-9104

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Law Finder DBA Lynx Strategies
Mack-Cali Centre
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Paramus, NJ 07652-3554

Lott & Vernon
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Copperas Cove, TX 76522-2924

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C/O Michael White
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Gatesville, Texas 76528-0779

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St. Louis, MO. 63179-0408

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Saturn Resources Inc.
P.O. Box 690766
Killeen, TX 76549-0013

Scott & White
2401 S. 31st Street
Temple, TX 76508-0002

Seterus Inc
14523 Sw Millikan Way St
Beaverton, OR 97005-2352

Steven Barkley
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Beaumont, TX 77706-3060

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Tara Energy
P.O. Box 203463
Houston, TX 77216-3486

Texaco
P.O. Box 981285
El Paso, TX 79998-1285

Texaco / Citibank
Citicorp Credit Services/Attn: Centraliz
PO Box 20507
Kansas City, MO 64195-0507

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Attn.: Centralized Bankruptcy
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Us Bank/na Nd
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